



STATE OF WEST VIRGINIA  
OFFICE OF THE ATTORNEY GENERAL  
DARRELL V. MCGRAW, JR.  
CONSUMER PROTECTION DIVISION  
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# Press Release

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## FOR IMMEDIATE RELEASE

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### **ATTORNEY GENERAL DARRELL MCGRAW SETTLES LONG-STANDING LAWSUIT AGAINST TELECHECK, WORLD'S LARGEST CHECK GUARANTEE COMPANY**

Attorney General Darrell McGraw announced today that an Agreed Order has been entered in a lawsuit filed by his office nearly five years ago against Houston-based TeleCheck Services, Inc., and its affiliates. The order, which was entered today in the Circuit Court of Kanawha County, provides that TeleCheck will pay \$450,000.00 to the State of West Virginia and will file a compliance plan addressing its debt collection and consumer reporting practices in relation to West Virginia residents with the Attorney General's office within 180 days.

According to its website, TeleCheck is the world's leading provider of paper and electronic check services to retailers, financial institutions and other businesses that subscribe to its services. As part of its check guarantee service, TeleCheck maintains a comprehensive database of check writer information to assist merchants in predicting whether a check will clear.

McGraw's office sued TeleCheck in response to West Virginia consumers' concerns about the company's check guarantee services and debt collection practices. The plan to be filed by TeleCheck will outline guidelines to enhance its employee training programs, in keeping with terms of the settlement. The plan will address:

- Heightened monitoring of conformance of debt collection practices to the West Virginia Consumer Credit and Protection Act, when applicable;
- Conformance with the Fair Credit Reporting Act to the extent it is applicable to TeleCheck's business practices;
- Enhancing processes for the accuracy of consumer records;
- Enhancing processes for the expeditious handling of consumer communications;
- Enhancing processes for the removal of disputed information when the accuracy of such disputed information cannot be verified;
- Enhancing processes for the timely and thorough investigations of consumer disputes.

According to the settlement, TeleCheck will ensure that consumers have given their "express verifiable authorization" before payments are debited from their checking accounts via the consumer's actual or digital signature, tape-recorded oral authorization by the consumer, or other type of authentication.

According to the settlement, TeleCheck will comply with the Rules of the National Automated Clearing House Association ("NACHA") when debiting dishonored check fees from consumers' accounts. The NACHA rules currently require advance written authorization by the consumer. Also, TeleCheck will publish a quarter-page notice in five major daily newspapers in West Virginia to alert consumers who have been victims of forgery, identity theft, and/or counterfeiting, of the steps they may take for assistance if their checks are declined by TeleCheck merchant subscribers.

Attorney General McGraw stated, "My office filed this suit in response to complaints of consumers who believed their checks were declined without understandable cause by TeleCheck merchants. Consumers also believed they were experiencing undue delay in the investigation and removal of inaccurate information in Telecheck's database."

Any persons wishing to file a complaint about a consumer matter or to alert the Attorney General about unfair or deceptive practices may do so by calling the Consumer Protection Hot Line, 1-800-368-8808, or by downloading a complaint form from the consumer web page.

To print complaint form click here. [\*Complaint Form\*](#)

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